



Executive Director's
Report to the
Board of Harbor Commissioners

DATE: DECEMBER 18, 2018

FROM: WATERFRONT & COMMERCIAL REAL ESTATE

SUBJECT: RESOLUTION NO. _____ – SUB-LICENSE AGREEMENT BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND THE MARINE EXCHANGE OF LOS ANGELES/LONG BEACH HARBOR, INC. FOR THE PORT POLICE RADIO SYSTEM REBANDING PROJECT, PHASE I

SUMMARY:

Staff requests approval of a sub-license agreement (Sub-License Agreement) between the non-profit Marine Exchange of Los Angeles/Long Beach Harbor, Inc. (Marine Exchange) and the City of Los Angeles Harbor Department (Harbor Department). The Sub-License Agreement will enable the Harbor Department to utilize a portion of the Marine Exchange property located at 3601 S. Gaffey Street in San Pedro, CA (Marine Exchange Property) for the phase I installation, maintenance and operation of the Los Angeles Port Police (Port Police) Radio System Rebanding Project (Phase I Radio Project) as mandated by the federal Spectrum Act.

Although the Marine Exchange Property is being offered rent-free to the Harbor Department under the terms of the Sub-License Agreement, the Harbor Department is financially responsible for the costs associated with the construction of the radio infrastructure, as well as, any incremental utility costs associated with the ongoing operation of the radio infrastructure. The Phase I Radio Project is currently estimated to cost \$1,202,310 while the ongoing utility costs are estimated to be approximately \$1,000 per year.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners (Board):

1. Find that the Director of Environmental Management has determined that the proposed action is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) under Article III Class 1(14) and 3(4) of the Los Angeles City CEQA Guidelines;
2. Approve the Sub-License Agreement with the Marine Exchange of Los Angeles/Long Beach Harbor, Inc.;
3. Direct the Board Secretary to transmit the proposed Sub-License Agreement to the Los Angeles City Council for approval, pursuant to Administrative Code Section 10.5;

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4. Authorize the Executive Director to execute and the Board Secretary to attest to the Sub-License Agreement upon approval of the City Council; and
5. Adopt Resolution No. _____.

DISCUSSION:

Background – Port Police is required to comply with a provision in the Middle Class Tax Relief and Jobs Creation Act of 2012 (Spectrum Act). The Spectrum Act requires the existing Port Police radio system frequencies (400 MegaHertz (MHz)) to be vacated by February 21, 2021, and to implement a new radio system with frequencies of 700 MHz.

In order to comply with both Federal Communication Commission (FCC) and Spectrum Act requirements, the rebanding project is proposed to be completed in two phases. Port Police and Information Technology (IT) Divisions conducted a coverage analysis and selected the Marine Exchange Property as the Phase I Radio Project site (Transmittal No. 1) for this new installation. Phase II sites are still under consideration. The Phase I Radio Project site has been selected due to the propagation aspects of the new 700 MHz frequencies, the desirable area radio coverage, redundancy, and survivability.

The Marine Exchange leases the Marine Exchange Property from the United States Coast Guard (USCG, owner) under a master license agreement expiring October 1, 2025. The USCG has approved this Sub-License Agreement by a Letter of Authorization (Transmittal No. 2) dated September 18, 2018 after receiving its own environmental review of and approval of this project. Located on a promontory overlooking Point Fermín at an elevation of 311 feet above sea level, the Marine Exchange Property offers superior area radio coverage. This site currently houses the Port Police microwave network equipment located in the Marine Exchange building. This Phase I Radio Project site will contain the radio tower/equipment and the existing microwave equipment. Port Police has requested the assistance of the Waterfront and Commercial Real Estate Division in drafting the Sub-License Agreement (Transmittal No. 3) for this Phase I Radio Project.

Proposed Agreement

Term – The proposed Sub-License Agreement runs concurrent with the master Marine Exchange license agreement, which expires on October 1, 2025, with a 45-day notice of termination.

Premises – A portion of the Marine Exchange Property (Premises) located at 3601 S. Gaffey Street, San Pedro, consisting of approximately 100 square feet of land as delineated on Exhibit “A-1” (Transmittal No. 4).

Commencement – Upon mutual execution and delivery of the Sub-License Agreement as approved Los Angeles City Council.

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Permitted Uses – For the construction, operation and maintenance of a 100-foot radio tower, equipment and communications equipment shed by Port Police.

Improvements – The 100-foot tower, equipment, and equipment shed will be furnished and installed by Petroleum Telecom, Inc. under a separate, previously approved contract (Agreement No. 17-3517) and as extended at the May 3, 2018 Board meeting.

Compensation – Due to the fact that the Marine Exchange license with the USCG is rent-free and there is interagency synergism between the Marine Exchange, USCG and Port Police, the Premises are being offered rent-free by the Marine Exchange, except for cost of utilities which are estimated to cost \$1,000 per year.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of a Sub-License Agreement between the Marine Exchange and the Harbor Department to use a portion of their property for the installation and operation of a new radio system tower and associated equipment, which is the issuance of a license to use an existing facility involving negligible expansion of use and the installation of new equipment involving negligible expansion of use if required for safety. Therefore, the Director of Environmental Management has determined that the proposed action is categorically exempt from the requirements of CEQA in accordance with Article III Class 1(14) and 3(4) of the Los Angeles City CEQA Guidelines. Additionally, the USCG determined that this proposed action was a categorical exclusion under the National Environmental Policy Act.

FINANCIAL IMPACT:

Although the Harbor Department will not be required to pay rent under the proposed Sub-License Agreement with the Marine Exchange, the Harbor Department will be financially responsible for constructing the site improvements and paying the cost of any incremental utility once the site improvements are activated.

Construction of the site improvements at the Marine Exchange Property comprise the Port Police 700 MHz Radio System - Phase I Radio Project (Work Order 2542000). A total of \$1,202,310 is programmed in the Harbor Department's 10-year Capital Program (actuals through September 30, 2018) for the Phase I Radio Project. As part of the FY 2019 budget adoption process, \$766,431 was programmed within the Work Order 2542000 for required materials and other costs related to constructing the site improvements. The Harbor Department's financial obligations beyond FY 2019 are contingent upon the Board's appropriation of funds.

Once the site improvements are activated, incremental utility costs are estimated to be \$1,000 per year, and will be budgeted within Account 59510 – Electric Service.

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CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved the Agreement as to form and legality.

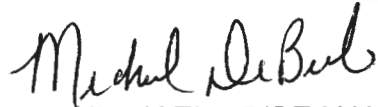
TRANSMITTALS:

1. Site Map
2. USCG Approval Letter
3. Sub-License Agreement
4. Premises

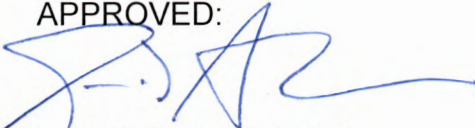
FIS Approval: 

CA Approval: 


MICHAEL J. GALVIN
Director of Waterfront & Commercial Real Estate


MICHAEL DiBERNARDO
Deputy Executive Director

APPROVED:


EUGENE D. SEROKA
Executive Director

ES:MD:MG:ER:HP:KK:RL:pi
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BL755pi Sub-License Agreement with the Marine Exchange